

Pty Limited AFSL 247404

5th July 2004

Barry Dawes

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(02) 9222 9111

CAPITAL STRUCTURE

| | |
|----------------------|-------------|
| Proposed ASX code | CFU |
| Offer price | \$1.00 |
| Existing shares | 94,836,448 |
| IPO shares | 15,000,000 |
| Market cap. Post IPO | 109,836,448 |

SHAREHOLDERS (post IPO)

| | |
|----------------------------|------|
| Ceramic Fuel Cells Limited | % |
| Metasource (Woodside Pet) | 33.7 |
| Energex | 32.4 |
| CSIRO | 3.6 |
| Commonwealth Govt | 2.6 |
| Western Power | 1.20 |
| BHP Billiton | 0.5 |

DIRECTORS

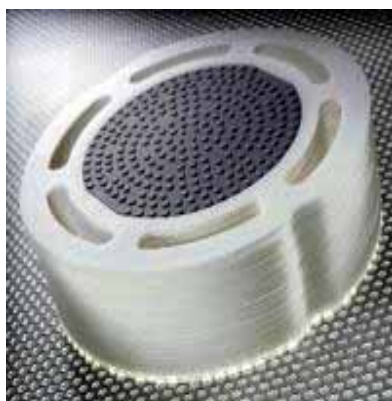
| | |
|---------------|-----------------|
| Exec Chairman | Julian Dinsdale |
| Non-Executive | Colin Adam |
| Non-Executive | Sally Pitkin |
| Non-Executive | Jack Hamilton |
| Non-Executive | John Dempsey |

REGISTERED OFFICE

170 Browns Road
Noble Park
Victoria 3174

Tel: 03 95542300

Website: www.cfcl.com.au



WHI Securities Pty Ltd ABN 30 094 927 947

Blue Chip Environmental Energy Company

Ceramic Fuel Cells Limited

- New ASX listing in Capital Goods Sector
- Pricing well below international valuations
- Fuel cells offer 60-80% better efficiency than coal power stations
- Solid Oxide fuel cells give 60+% lower emissions than coal
- Blue-chip shareholder base includes Woodside Pet and Energex
- First sales deliveries in Dec Qtr 2004

CFU is at the forefront of Solid Oxide (SOFC) technology and its units offer considerable efficiency benefits over electricity generation from conventional coal, lignite and gas thermal power stations.

A thermal power station typically has electrical efficiency rated as 29-33% of the reaction energy converted to electricity. SOFC generators can typically convert 45-55% of the reaction energy into electricity.

On this basis SOFCs produce 60-80% more electricity per GJ of fuel than a thermal power station.

In addition, when a SOFC is added to a water boiler in a Combined Heat and Power ('CHP') unit the energy efficiency of electricity and usable heat energy can be as much as 85%.

These efficiencies are highly attractive to European energy utilities that will be the ultimate major purchasers of these CHP units.

Installation of large numbers of onsite 1-10kW micro CHP units can replace or defer construction of additional large thermal power stations and can also save substantially on power losses associated with transmission lines and transformers. On site power generation can also reduce the costs of upgrading a transmission line network grid.

The environmental benefits are also measurable and significant.

SOFC technologies catalytically react at high temperatures and so do not 'burn' as with normal hydrocarbon reactions. Consequently the reaction does not generate the typical SO_x and NO_x components so that emissions are over 60% lower per GJ of fuel than with a coal power station reaction.

When atmospheric emissions are rated on a per kWh of electricity produced the SOFC gives as much as 90% less than conventional thermal power stations.

Efficiency and environmental benefits are the real drivers for fuel cells and underpin UK-based projections for European cumulative demand of 12m micro CHP units by 2020.

WHISecurities Pty Ltd

ABN 30 094 927 947

Australian Financial Services Licence Number: 247404

MANAGEMENT

| | | | |
|--------------|--------------------|---------------------|------------------------------|
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| David Sutton | Executive Chairman | +61 (0) 2 9222 9111 | dsutton@whisecurities.com.au |

INVESTMENT BANKING

| | | | |
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RETAIL DEALING

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RESEARCH

| | | | |
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ADMINISTRATION

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Disclosure

WHI Securities Pty Ltd and its associates declare that as at 28 June 2004 they have a relevant interest in the securities recommended herein, in particular:

- WHI Securities Pty Ltd received a fee in respect of its role as Manager of the A\$10.55m pre IPO funding.
- WHI Securities Pty Ltd received a fee in respect of its role as Lead Adviser to the A\$15m IPO
- The author(s) of this document do have a relevant interest in any securities contained herein. This position can change at any time.
- The directors and associates of WHI Securities Pty Ltd hold shares in Ceramic Fuel Cells Limited. This position can change at any time.